

**BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

Quadrennial Planning Process IV

Docket No. 5-FE-104

COMMENTS OF THE CITIZENS UTILITY BOARD

1. INTRODUCTION

On October 26, 2021, Commission staff issued an agenda memorandum (scoping memo) on the scope of the Focus on Energy (Focus) Quadrennial Planning Process IV (Quad IV) and solicited comments from parties and the public. The Citizens Utility Board (CUB) appreciates the opportunity to provide comments on Quad IV scope. The comments provided below will address:

- A. The proposed comment periods for the three Quad IV phases contemplated in the scoping memo;
- B. Decisions made in the Quadrennial Planning Process III (Quad III) that should be revisited; and
- C. New issues that should be addressed in Quad IV.

2. COMMENTS

Quad IV Comment Periods

CUB anticipates that it will participate in all opportunities to provide input on Quad IV. However, the comment periods outlined in the scoping memo would not allow parties and the public enough time to adequately analyze and make recommendations regarding the complex technical and policy issues included in this planning docket. Specifically, the scoping memo indicates that only two-week comment periods are contemplated for the staff memoranda addressing Phase I and Phase II decision points. CUB requests that the Commission extend the

comment periods to allow at least four weeks for any response periods, or an alternative time period upon which all parties can agree.

Decisions made in Quad III That Should be Revisited

Emphasis Between Energy and Demand: Traditionally, Focus has been designed to prioritize the reduction of total energy usage, but has recognized that demand savings are also valuable to ratepayers. In its Final Decision for Quad III (PSC Ref#: 343909), the Commission found it reasonable to continue to establish goals for Focus based on reductions in energy use and peak demand, with more emphasis on energy use savings and resulting emission reductions.

Since that time, the Wisconsin utility industry has entered a period of substantial transformation wherein we have seen:

- aggressive carbon reduction goal announcements by all major investor-owned utilities;
- the retirement, or retirement announcement, of a number of large coal-fired generation facilities;
- a wave of substantial utility investment in new supply resources, either currently under construction or under Commission review;
- significant growth on the part of Wisconsin utilities in programs or rates targeted at electric vehicles; and
- the initiation of a new round of long-range transmission resource planning at the Midcontinent Independent System Operator (MISO).

In sum, issues related to capacity and resource adequacy are once again at the fore in Wisconsin. Additionally, the industry's move towards renewable or non-emitting resources has triggered a wave of steel-for-fuel investments. Coupled with the fact that these new resources will be, in most if not all cases, zero-marginal cost, CUB believes that is critical that the

emphasis between energy and demand be revisited and that clear guidance be given to the Focus Administrator to ensure that Focus programs over the next quadrennium are able to maximize utility customer and system savings within this evolving utility landscape.

Utility Voluntary Programs: In its Final Decision for Quad III, the Commission determined that it was reasonable to take no action to incorporate utility voluntary programs into a collaborative framework or to establish guidance defining appropriate voluntary programs. CUB agrees with Clean Wisconsin that coordinated and expanded utility-administered programs offer significant potential for additional energy savings, and commensurate reductions in system costs. Such coordination is vitally important as many of the Wisconsin utilities begin to explore the “utility-as-a-conductor” business and operations model. CUB supports inclusion of Utility Voluntary Programs in the Quad IV planning process, as contemplated by the scoping memo.

New Issues in Quad IV

Programs and offerings for low-income customers: CUB supports adding the proposed Phase I topics drawn from the Roadmap to Zero Carbon investigation in Docket 5-EI-158. In particular, CUB supports the inclusion of programs and offerings for low-income customers as a Quad IV topic. Beyond specific Focus programs and offerings, CUB recommends that the Commission’s examination of low-income policy issues within Focus be structured to also consider broader equity, accessibility, and affordability consideration and whether specific goals or key performance indicators can or should be developed around those principles for Focus as a whole.

Electrification programs and offerings: CUB is also supportive of the inclusion of electrification programs as part of the Quad IV scope. However, CUB would suggest that efforts be targeted at beneficial electrification, which CUB defines as electrification that has the effect

of lowering total system cost, and does not simply lower average rates by increasing volumetric billing determinants.

Collaboration between Focus and Utility Demand Response Programs: Consistent with the comments regarding voluntary utility programs, CUB also supports exploring greater collaboration between Focus and utility demand response programs as an opportunity to achieve synergy savings and possibly other goals set forth by the Commission.

3. CONCLUSION

CUB again expresses its appreciation for the opportunity to provide comments on the Quad IV scoping process.

Dated this day, Friday, November 19, 2021.

Respectfully Submitted,

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